

April 19-20, 2006

MedPAC response to CMS letter on physician update

ISSUE: CMS's preliminary estimate of next year's payment update for physician services is -4.6 percent, the maximum negative update permitted under a formula defined in statute. MedPAC must review this estimate for the Commission's June 2006 report to the Congress.

KEY POINTS: In calculating the update, CMS used estimates which are consistent with recent trends. Even if the estimates change, the result of the update calculation is unlikely to change because of the growth in spending for physician services that has occurred in recent years.

ACTION: At this meeting, Commissioners will discuss a draft of MedPAC's review of CMS's preliminary estimate.

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